

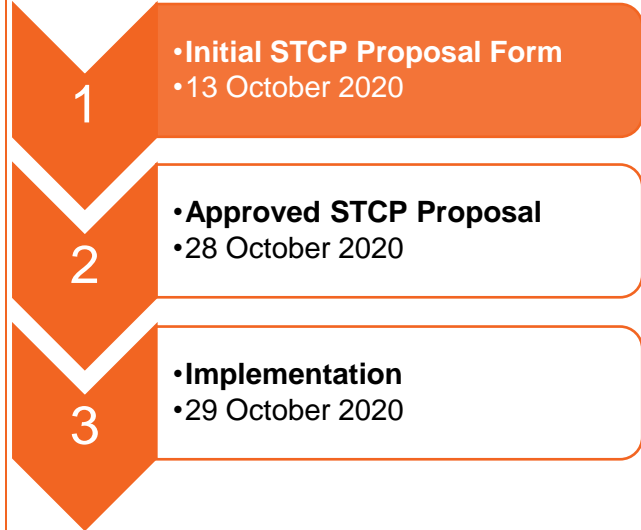
STCP Modification Proposal Form

PM0117: Annual Charge Setting - data submission flexibility

Overview: In advance of a change in regulatory price control period (e.g. from RIIO T1 to RIIO T2) the full range of input variables to set annual revenues/charges may not be finalised until after some of the early STCP submission deadlines.

This proposal recommends increased flexibility for the Onshore TOs and NGENSO to agree minor temporary changes to any revenue data exchange impacted in this way, such that they can fulfil their STC obligations.

Modification process & timetable



Status summary: The Proposer is seeking approval from the Panel for the modification to be implemented.

This modification is expected to have a: Medium impact - NGENSO; Onshore Transmission Owners (TO)

<p>Proposer’s recommendation of governance route</p>	<p>The Panel will make the decision on whether the modification should be implemented.</p>	
<p>Who can I talk to about the change?</p>	<p>Proposer: Richard Woodward – NGET Richard.Woodward@nationalgrid.com Phone: 07964 541743</p>	<p>Code Administrator: Ren Walker Lurrentia.walker@nationalgrideso.com Phone: 07976 940 855</p>

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What is the issue?

The annual charge setting process between NGENSO and the Onshore TOs requires the exchange of multiple datasets prior to the next Financial Year/Charging Year.

When there is a transition from one regulatory price control period to the next, Ofgem needs to publish their final determinations to definitively set key inputs necessary to drive this data exchange activity (e.g. licence inputs for Onshore TO Allowed Revenue).

Without these Ofgem inputs, the obligations in these procedures cannot be delivered as envisaged in any other Charging Year – particularly for the October/November initial forecast submission.

It therefore seems prudent to apply either approximations or estimates for data gaps or agree more flexibility on submission dates to allow for final inputs to be set.

Why change?

Without this flexibility, the data submission process for annual charge setting prior to a new price control period could be flawed or simply impossible to deliver as set out in the procedures.

What is the proposer's solution?

Provide NGENSO and the Onshore TOs the flexibility to unanimously agree temporary workarounds for initial charge setting data submission to allow them to either:

1. Fulfil their data exchange obligations via other means (e.g. data substitutions or estimates), or
2. Delay the submission to await final inputs from the Ofgem's final determinations.

The data exchange in scope for this proposal is done in two iterations – an initial forecast in October/November; and finalised submissions in late January. This proposal largely deals with the initial forecast submission, but the proposed solution is not limited to just this first phase of data exchange.

Legal text

"In the Financial Year preceding the next regulatory price control period, NGENSO and the Onshore Transmission Owners may notify one another and agree (on a unanimous basis only), any reasonable temporary adjustments to these provisions [insert STCP-specific clause reference] to allow them to be fulfilled. E.g. data substitutions, submission date changes.

The above legal text additional is to be made to the following STC Procedures and clauses: STCP13-1 3.1; STCP14-1 3*; STCP19-6 3.1; STCP24-1 3.2 + 3.4

What is the impact of this change?

Proposer's Assessment against STC Objectives	
Relevant Objective	Identified impact
(a) efficient discharge of the obligations imposed upon transmission licensees by transmission licences and the Act	Positive Provides flexibility for the Onshore TOs and NGESO to determine the best route to comply with their annual charge setting obligations.
(b) development, maintenance and operation of an efficient, economical and coordinated system of electricity transmission	None
(c) facilitating effective competition in the generation and supply of electricity, and (so far as consistent therewith) facilitating such competition in the distribution of electricity	None
(d) protection of the security and quality of supply and safe operation of the national electricity transmission system insofar as it relates to interactions between transmission licensees	None
(e) promotion of good industry practice and efficiency in the implementation and administration of the arrangements described in the STC.	Positive Introduces flexibility for Onshore TOs and NGESO to efficiently deliver charge setting processes when there are variables outside their control
(f) facilitation of access to the national electricity transmission system for generation not yet connected to the national electricity transmission system or distribution system;	None
(g) compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency.	None

In addition, for an STCP Change, Section B 7.3.2 details that the following should be considered:

Provision	View of the Proposer
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(a) the amendment or addition does not impair, frustrate or invalidate the provisions of the Code	None
(b) the amendment or addition does not impose new obligations or liabilities or restrictions of a material nature on Relevant Parties which are not subsidiary to the rights and obligations of the Relevant Parties under the Code	None
(c) the amendment or addition is not inconsistent or in conflict with the Code, Transmission Licence Conditions or other relevant statutory requirements	None
(d) the Relevant Party Representatives deem that the amendment or addition is appropriate to support compliance with the Code	Positive Introduces flexibility for Onshore TOs and NGESO to efficiently deliver charge setting processes when there are variables outside their control

When will this change take place?

Implementation date:

Prior to 31st October 2020

Implementation approach:

If approved by the Panel, this modification will be implemented 1 working day after approval.

Interactions

This modification has no interactions with any other Codes, Industry Documents or standards.

Panel Determination

Party	Determination
National Grid (ESO)	Approve / Reject
National Grid (TO)	Approve / Reject
Offshore Transmission Owners (OFTOs)	Approve / Reject
Scottish Hydro Electric Transmission plc (SHET)	Approve / Reject
SP Transmission Limited (SPT)	Approve / Reject

Acronyms, key terms and reference material

Acronym / key term	Meaning

Reference material:

1.